



# FOCUS NORTH 5-2008

## Society and Security in the European Arctic

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Regional security in the High North has evolved substantially since the days when it was a political hinterland, segmented territorially and politically because of its strategic significance in superpower security politics. Today, the High North is no longer a peripheral area. Experiencing an era of civil mobilization, resource exploitation and private capitalization, it is developing as a key energy-producing region in an age of energy scarcity and instability. In this context, security has taken on a broader, more comprehensive sense that no longer consists only of military aspects, but of political, economic, social and ecological aspects as well.<sup>1</sup>

As the focal points of security in the North evolve and broaden, so has participation in security matters. Security dialogue now involves regional governments, commercial actors, non-governmental organizations and society at large. This paper discusses some of the effects and implications of this phenomenon.

### Shifting the perspective

Regionalization in the European Arctic has led to shifts in the centre–region political balance. In particular, northern communities are finding their voice in northern security policy. They seek to change the perspective from which one views the North.

Traditionally, the North has been described from the outside where it is seen largely in terms of resources, transport and strategic space.<sup>2</sup> *Look North!* (2003) broadened this perspective to include the environment and the Arctic's role in global climate change.<sup>3</sup> Yet as its title suggests, the perspective is still from the outside—a view reinforced by a 2005 white paper, which focused on the North's international context, setting aside questions of a domestic regional nature.<sup>4</sup> In this view, northern policy is predominantly foreign policy.

*For the North!*, a rejoinder published by the

Executive Committee for Northern Norway,<sup>5</sup> offers a contrasting, regional view: “the northern areas as seen from the North.”<sup>6</sup>

While acknowledging foreign affairs plays an essential role in securing economic, environmental and political interests, *For the North* expresses the regional view that developing the North's potential means developing society, not just resources. Northern policy must serve the North. This means building the physical, social, institutional and intellectual base required for a thriving regional economy and society. Taking this view, northern policy is first and foremost regional policy.

Northern communities have gained the attention of central policymakers. The Norwegian High North strategy (2006) acknowledges and incorporates regional aspirations articulated in *For the North*.<sup>7</sup> At the same time, the strategy casts northern policy in a broader light where domestic and foreign policy play both leading and supporting roles for each other, shifting the perspective yet again. Northern policy becomes an umbrella under which relevant sectors are integrated to advance local, national and international needs.

Geographically, a shortcoming of the term High North is that it does not specify any general spatial boundaries.<sup>8</sup> *Look North!* took a circum-polar view of the northern areas, whereas *For the North* restricted itself to the European Arctic, a position adopted by the Norwegian High North strategy.<sup>9</sup> This is the area on which this paper will concentrate.

### Civilianization of security

Security policy has undergone a process of civilianization as the security agenda expands to include issues within the traditional remit of provincial governments and other stakeholders within civil society. In consequence, security

policy no longer falls within the sole purview of the defence policy establishment, and national and subnational governments find themselves in a complex political milieu where the boundaries between domestic and security politics are indistinct.

One can find several examples of the civilianization of security in the European North. Perhaps the most prominent is the Barents Cooperation, an initiative designed to promote normalization, stability and integration in the European Arctic by linking northern communities through extensive networks of transnational cooperation. The Barents Cooperation uses regionalization as a tool for actively involving civil society in security matters in the North.

Another example is surveillance in the Barents Sea—an issue long associated with defence and the military. Norway has introduced several civilian surveillance systems to the region to address growing environmental and resource security needs.

The Northern Norway Vessel Traffic Monitoring System (VTMS) was the first such system. By integrating coastal radar stations with the Universal Shipborne Automatic Identification System (AIS), the VTMS centre in Vardø can monitor shipping traffic along the entire coast of northern Norway, as well as coordinate rescue and assistance for ships in distress.

Another system under development, called “Barents Sea On Screen,” will use satellites, ships, aircraft and other sensors to continuously monitor key environmental, weather, shipping and other parameters. The system gives civil authorities a real-time situation picture of the entire Barents Sea (including areas outside Norwegian jurisdiction), providing them early warning of potential incidents and thereby increasing the time for authorities to mobilize an appropriate response.<sup>10</sup>

### **Growing influence of indigenous peoples**

Indigenous peoples across the Arctic have been finding their collective voice in pressing for representation, restitution and resources. Groups in Alaska and Canada have had particular success in asserting pre-eminent rights to land and resources; the Sami in Norway are making similar gains in political influence, whereas efforts in Russia have met with mixed results.<sup>11</sup>

The Norwegian High North strategy aims for indigenous peoples to have a strong position

and seeks to increase their capacity to exert real influence in societal development in the North.<sup>12</sup> This is particularly true in Finnmark county, where the Sami have lived collectively since time immemorial.

The Finnmark Act of 2006 forms the basis for clarifying how land and natural resources in Finnmark should be administered, as well as the scope of collective and individual rights of use and ownership on state-owned land.

The Act transferred state-owned land in the county to a local trust (Finnmarkseiendommen) administered by trustees appointed by the county council and the Sami Parliament. It manages the property on behalf of all Finnmark residents, regulating land and resource use. The Act also established a commission to investigate land and water rights in Finnmark as well as a special court to settle disputes.

The Finnmark Act does not apply to coastal and offshore resources. Although the government is reviewing the rights of the Sami and others to fish in coastal waters off Finnmark, it has dismissed claims to offshore energy resources, such as those asserted by the vice president of the Sami Parliament.<sup>13</sup>

The Finnmark Act evidences the increasing devolution of authority to northern residents in general and to indigenous groups in particular. It suggests the North will be increasingly shaped from the inside as the region’s inhabitants set the premises for development.

### **Reversal in Russian regionalization**

Devolution of political and economic power was a central facet of post-socialist reforms in Russia during the 1990s. Moscow’s weakness and failure to meet expectations in the face of national crisis prompted the regions to assert greater control over power and natural resources located in their territories, as well as to develop their own strategies for survival as more self-sufficient entities.<sup>14</sup>

Today this regionalization process has largely been reversed as a result of policies pursued by the Putin government to reassert central control over Russia. Putin imposed a rigid vertical power structure by creating federal districts with powers over the regions, replacing locally-elected governors with presidential appointees, and giving the appointed governors increased powers over their municipalities.<sup>15</sup> Moreover, Moscow has stripped the regions of control over many key

natural resources, transferring it to either federal agencies or to state-owned companies such as Gazprom and Rosneft.

A poignant example of this reversal is Nenets, which lost its autonomous status in January 2008 when it was merged with Arkhangelsk Oblast over the objections of its residents.<sup>16</sup> Driving the merger was a desire to wrest power over oil revenues from the oil-rich province.

### **Growing influence of commercialization**

Regional development in the North has fostered greater commercialization, and commercial entities now play an ever-more influential role in northern policy making.

Deciding the course of Arctic energy development is perhaps the leading strategic issue in the region today. It is also one which draws widely different and strongly held views across the political spectrum. Given that any development will require substantial capital investment decisions from industry, private enterprise wields substantial influence over public policy decisions.

Konkraft, a Norwegian industry consortium, recently published an ambitious strategic agenda for making Norway a world leader in petroleum and renewable energy.<sup>17</sup> It urges the parliament to take key strategic decisions, foremost of which is committing to a systematic development of the Norwegian continental shelf, identifying the Lofoten Islands as the most promising new area on which to focus. The oil minister has voiced scepticism to opening the shelf around Lofoten given environmental protection concerns and competing commercial interests (fishing); any decision to open the area must reconcile and balance these competing commercial and societal needs (see Focus North 3–2008, Resources and the Environment: The New Security Balance).

Commercial enterprises are also mounting demands on government to settle longstanding political disputes in the North. Norwegian oil companies have openly underscored the importance of resolving the Barents Sea maritime boundary, and Konkraft called on the parliament to open the shelf around Svalbard to oil concessions in forthcoming licensing rounds.

From industry's point of view, a quick resolution to these issues will allow them to begin long-range plans needed to ensure continuity of production across the entire continental shelf. Although

industry pressure can open the authorities to consider different alternatives and increase the impetus to reach agreement, the government views such pressure as counterproductive, as it may compromise their negotiating position.

Commercial decisions on how to carry out offshore operations strongly affect aspirations for regional development ashore. National and municipal policies can set key premises to promote regional development. In their absence, however, commercial preferences can be decisive. The modest economic consequences of oil and gas development in northern Norway to date give evidence to this fact, despite the great expectations within the region.<sup>18</sup>

### **Companies as instruments of national policy**

The wide-ranging economic influence of commercial enterprises can also be wielded by states. Energy in particular has long been intertwined with security. Today, resources such as petroleum have become tools of the new strategic arsenal, and states are using their national energy producers as instruments of power.

Russia has repeatedly demonstrated its willingness to use its vast energy resources in support of national interests and reclaim the geopolitical clout it exercised in Soviet days. Its most powerful tool is the state-owned gas company, Gazprom, which controls one-sixth of all exploitable gas resources in the world.

As president of Russia, Vladimir Putin used Gazprom to fight domestic political opponents, reassert influence over former Soviet republics, gain leverage over West European countries by increasing their dependence on Russian gas, and wrest Russian energy assets back from foreign companies.

“Energy should not be used for a policy tool, but it is,” according to Vladimir Milov, president of the Institute of Energy Policy and a former deputy minister of energy. Milov admits that Gazprom has been used as a tool to punish neighbouring states,<sup>19</sup> as evidenced in its skirmishes with Ukraine, and the company's ever-changing position on where it will direct its gas exports from Shtokman reflects the ebb and flood of the Kremlin's relations with the United States and Europe.

### **Regionalization and commercialization**

Regionalization and commercialization are different

but related processes that are changing security relations in the North. They have in common the characteristic of civilianization, whereby they have introduced a broad range of civilian stakeholders as active participants in security policy debate and activity. This has the effect of expanding the scope of issues addressed under the security umbrella, adding political, economic, social and ecological aspects.

They are different in that regionalization involves increasing influence to a diverse range of stakeholders situated within a region, whereas commercialization involves increasing influence to a particular class of stakeholders—in this case, commercial enterprises—whose location, affiliation or affinities may not be rooted in the region.

In northern Norway, for example, fishing and energy are the predominant commercial interests. Fishing enterprises are largely locally attached, whereas energy interests are almost exclusively located in major industrial centres far outside the region.

Furthermore, commercial priorities can differ from regional ones, and commercial enterprises can have a disproportionate influence given their access to economic resources that can eclipse regional sources. In this way regionalization and commercialization processes in the North are sometimes supportive, sometimes competitive.

The potential benefit of both is the building of social, commercial and political ties between societies in the High North. Over time, these interactions can embed their members in social relations that generate reciprocity, trust and interdependence, and perhaps even a sense of collective identity.<sup>20</sup>

1 See Steven Sawhill, "Resources and the Environment: The New Security Balance," *Focus North*, no. 3 (2008).

2 Terence Armstrong et al., *The Circumpolar North* (Methuen & Co., 1978).

3 Ekspertutvalg for nordområdene, *Mot nord! Utfordringer og muligheter i nordområdene* [Look North! Challenges and Opportunities in the Northern Areas], NOU 2003:32 (Statens forvaltningstjeneste, 2003), p. 21.

4 Norwegian Ministry of Foreign Affairs, *Opportunities and Challenges in the North*, Report no. 30 (2004–2005) to the Storting (2005).

5 In Norwegian, *Landsdelsutvalget for Nord-Norge og Nord-Trøndelag* ([www.LU.no](http://www.LU.no)), a regional political organization among the four northernmost counties.

6 *Landsdelsutvalget, For nord! Utfordringer og muligheter for nordområdene* [For the North! Challenges and Opportunities for the Northern Areas], (*Landsdelsutvalget*, 2005), p. 3.

7 Norwegian Ministry of Foreign Affairs, *The Norwegian Government's High North Strategy* (Ministry of Foreign Affairs, 2006).

8 See Steven G. Sawhill, "Defining the North in Norwegian Politics," *Focus North*, no. 1 (2008).

9 In geographical terms, the High North covers the sea and land, including islands and archipelagos, stretching northwards from the southern boundary of Nordland county in Norway and eastwards from the Greenland Sea to the Barents Sea and the Pechora Sea. In political terms, it includes the administrative entities in Norway, Sweden, Finland and Russia that are part of the Barents Cooperation.

10 "Norway Invests in Arctic Monitoring," *Barents Observer*, 2 June 2008.

11 Carsten Smith, "Rett for samer og nordmenn" [Rights for Sami and Norwegians], *Aftenposten*, 13 April 2005.

12 Norwegian Ministry of Foreign Affairs, *High North Strategy*, pp. 37–38.

13 Halvor Tjønn, "Norsk eller samisk olje?" [Norwegian or Sami Oil?], *Aftenposten*, 12 May 2006.

14 Karen Stoner-Weiss, "Central Weakness and Provincial Autonomy: Observations on the Devolution Process in Russia," *Post-Soviet Affairs* 15 (1999), pp. 87–106.

15 "A Stronger Vertical Power Structure for Arkhangelsk," *Barents Observer*, 20 May 2008. "The Municipal Dimension in Putin's Power Vertical," *Barents Observer*, 23 May 2008.

16 "Nenets AO Included in Arkhangelsk Oblast," *Barents Observer*, 13 December 2007.

17 Konkraft, *Energinasjonen Norge: Videreutvikling og fornyelse i en ny miljø- og geopolitisk æra* [Energy Nation Norway: Development and Renewal in a New Environmental and Political Era], (Konkraft, 2008).

18 Ole Magnus Rapp, "Nord finner, sør vinner" [The North Finds, the South Wins], *Aftenposten*, 13 October 2007. Gudmund Hernes et al., *Varsel om vekst? Fremtidbilder av olje- og gassvirksomhet i Nord-Norge* [Warning on Growth: Future Scenarios of Oil and Gas Activity in Northern Norway], (Fafo, 2007).

19 Andrew E. Kramer, "As Gazprom's Chairman Moves Up, So Does Russia's Most Powerful Company," *International Herald Tribune*, 11 May 2008.

20 Emmanuel Adler, "Imagined (Security) Communities: Cognitive Regions in International Relations," *Millennium: Journal of International Studies* 26 (1997), pp. 249–277.

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